Calendar No. 387

102D CONGRESS *1st Session*	SENATE	REPORT 102-254

TECHNOLOGY TRANSFER IMPROVEMENTS ACT OF 1991

Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, submitted the following

REPORT

OF THE

SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ON

S. 1581

NOVEMBER 27 (legislative day, NOVEMBER 23), 1991.—Ordered to be printed

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Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, submitted the following

REPORT

[To accompany S. 1581]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (S. 1581) to amend the Stevenson-Wydler Technology Innovation Act of 1980 to enhance technology transfer for works prepared under certain cooperative research and development agreements, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

PURPOSE OF THE BILL

The bill as reported amends the Stevenson-Wydler Technology Innovation Act of 1980 (Stevenson-Wydler Act) to allow each Federal agency to copyright computer software which is developed in whole or in part by Federal employees under the provisions of a cooperative research and development agreement (CRADA) between a laboratory of that agency and a research partner. Each Federal agency may license or assign such a copyright to the collaborating party participating in the CRADA. The reported bill also would extend to the Federal authors of such software royalty-sharing rights identical to those now given to Federal inventors of patented inventions.

BACKGROUND AND NEEDS

Computer software is now a major industry, with $55 billion in world sales in 1988. The United States remains the leader in computer software production, with a 60-percent share of the world market. However, Japan, Europe, and other countries are making

determined efforts to capture significant shares of the software market, and will try to take the lead in this area, as they have done successfully in such fields as consumer electronics and laptop computers.

This growing challenge to America's leadership in software had led to questions relating to whether Federal policies and research programs could do more to promote U.S. competitiveness in this field. One issue that has received particular attention is whether new policies are needed to help industry to take greater advantage of the software expertise in the Federal Government's 700 Federal laboratories.

Federal technology transfer policy

The Federal Government's laboratories employ approximately one-sixth of the Nation's scientists and engineers and have great expertise in a wide range of technologies. To make this taxpayer-supported technology more useful to the private sector, Congress has passed several laws to allow and encourage the transfer of unclassified Federal technologies to companies, the States, and other U.S. research organizations. In 1980, the Stevenson-Wydler Act directed agencies to establish technology transfer offices at their major laboratories. The Federal Technology Transfer Act of 1986, (1986 Act), written as a series of amendments to the Stevenson-Wydler Act, allowed "Government-operated" laboratories staffed by Federal employees to enter into CRADAs with companies, universities, and others. The CRADA mechanism allows a laboratory and a company to negotiate patent rights and royalties before they conduct joint research, giving the company clear patent protection for any inventions and products which result from the collaboration. This protection provides an incentive for the companies to invest in turning laboratory ideas into commercial products. Furthermore, if a Federal laboratory negotiates the payment of royalties as part of a CRADA arrangement, the 1986 Act provides that part of those royalties are to be shared with the Federal inventors, as a reward for their work and as an incentive to them and others to report potentially valuable inventions. In 1989, the National Competitiveness Technology Transfer Act (1989 Act), a part of the Department of Defense Authorization Act for Fiscal Year 1990, extended the CRADA authority to the large contractor-operated laboratories of the Department of Energy (DOE).

Treatment of computer software developed under cooperative agreements

The 1986 and 1989 Acts, however, did not extend copyright protection to computer software that might be developed under a CRADA. By 1986, officials working on technology transfer knew that the Federal laboratories had sophisticated software expertise which, with additional private investment, could be turned into valuable commercial products. The military, for example, had valuable training programs which could be adapted for civilian schools. However, most computer software falls under copyright law—not patent law—and Federal law has long prohibited the copyrighting of anything developed in part or in whole by Federal employees. This policy stems from the copyright laws of 1895 and 1909, and is

based on the principle that any information or data developed by Federal employees should be freely available to all.

The 1986 Act directed the Secretary of Commerce to examine the software issue and report to Congress. That report, dated June 1988, found that:

> [M]any agencies are already reporting that the inability of their employees to have copyright protection for valuable computer software is limiting the success of their efforts. Companies are rightly afraid that if Federal employees create software with their support it will fall into the public domain. Thus, foreign competitors could obtain for nothing important discoveries largely funded by our private sector.

A June 1990, General Accounting Office (GAO) report, entitled "Technology Transfer: Copyright Law Constrains Commercialization of Some Federal Software," reached similar conclusions.

At the Committee's September 13, 1991, hearing on S. 1581, Mr. Ralph Oman, Register of Copyrights and head of the U.S. Copyright Office, concluded that: "S. 1581 is an acceptable balancing of the respective needs of the Federal Government and private sector." He added:

> The Copyright Office supports the principle of S. 1581. It is a limited response to a specific problem. Federal employees will be more highly motivated to create valuable software [under CRADAs] if they know they will benefit financially by doing so. Likewise, it seems reasonable that businesses could be stimulated to enter into cooperative research and development agreements with Federal laboratories if they know that their investments in technology will be protected. There is no reason to treat Government authors of computer programs any differently than Government inventors.

Legislative History

Senator Rockefeller introduced S. 1581 on July 29, 1991. The Full Committee held a hearing on the bill on September 13.

On October 3, in open executive session, the Committee considered S. 1581. Senator Rockefeller offered a technical amendment on behalf of Senator Gorton, which was accepted. The bill as amended was ordered reported without objection.

Summary of Major Provisions

Section 2 would amend the Stevenson-Wydler Act to allow each Federal agency to copyright computer software which is developed in whole or in part by Federal employees in the course of work under a CRADA and further allows agencies to license or assign those copyrights to the collaborating party with the agency under that CRADA.

Section 3 would extend to the Federal authors of such software royalty-sharing rights identical to those now given to Federal inventors of patented inventions.

Section 4 makes technical and conforming amendments.

Estimated Costs

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and section 403 of the Congressional Budget Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office:

U.S. Congress,
Congressional Budget Office,
Washington, DC, October 11, 1991.

Hon. Ernest F. Hollings,
Chairman, Committee on Commerce, Science, and Transportation, U.S. Senate, Washington, DC.

Dear Mr. Chairman: The Congressional Budget Office has reviewed S. 1581, the Technology Transfer Improvements Act of 1991, as ordered reported by the Committee on Commerce, Science, and Transportation on October 3, 1991.

S. 1581 would permit federal agencies to secure a copyright on behalf of the federal government on any computer software prepared by federal government employees working under a cooperative research and development agreement. The bill also would permit the copyrighting agency to grant copyright licenses to collaborating parties, and would require the copyrighting agency to share any royalties received with the software author(s).

Based on information from the Copyright Office, CBO estimates that enactment of S. 1581 would result in no significant additional cost to the federal government. Royalties from licenses granted by copyrighting agencies would be recorded as offsetting receipts (that is, negative outlays), but would amount to less than $500,000 a year. Thus, this bill would affect direct spending and would be subject to pay-as-you-go procedures under section 252 of the Balanced Budget Emergency Deficit Control Act of 1985. No costs would be incurred by state or local governments as a result of enactment of this bill.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is John Webb, who can be reached at 226–2860.

Sincerely,

Robert D. Reischauer,
Director.

Regulatory Impact Statement

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee provides the following evaluation of the regulatory impact of the legislation, as reported.

S. 1581, as reported, would amend the Stevenson-Wydler Act to allow Federal agencies to copyright computer software developed under CRADAs and to license or assign those copyrights to a collaborating party.

The reported bill confers no new regulatory authority on any Federal agency. Implementation of the legislation will not increase Federal regulation of any individuals or businesses, and thus in this respect will not result in increased Federal regulation, economic effect, impact on personal privacy, or additional paperwork.

Heads of Federal agencies and directors of Federal laboratories will make decisions regarding proposals from research organizations to enter into CRADAs and may require proposers to submit certain information or to pay royalties based on sales of computer software developed under these CRADAs. However, all such business relationships will be voluntary.

In terms of paperwork, the reported bill requires no new reports to Congress and imposes paperwork requirements on businesses and other organizations only to the extent that these organizations voluntarily propose of conduct CRADAs with Federal laboratories.

SECTION-BY-SECTION ANALYSIS

SECTION 1.—SHORT TITLE

This section states that this legislation may be cited as the "Technology Transfer Improvements Act of 1991."

SECTION 2.—COPYRIGHT FOR SOFTWARE

Subsection (a) amends section 12 of the Stevenson-Wydler Act by adding a new subsection (h). New subsection (h) states that each Federal agency may secure copyright on behalf of the United States as author or proprietor in any computer software prepared in whole or in part by employees of the U.S. Government in the course of work under a CRADA entered into under the authority of section 12(a)(1) of the Stevenson-Wydler Act, or under any equivalent authority, notwithstanding the limitations contained in section 105 of title 17, U.S. Code. (Title 17 contains Federal copyright statutes.) Each Federal agency also may grant, or agree to grant, in advance to a collaborating party, licenses or assignments for such copyrights, or options thereto, retaining a nonexclusive, nontransferable, irrevocable, paid-up license.

Subsection (b) amends section 4 of the Stevenson-Wydler Act by adding a new definition of "computer software." The term means a computer program, as defined in section 101 of title 17, U.S. Code, and any associated documentation, supporting materials, or user instructions.

The Committee emphasizes several points about the scope and intent of the amendments contained in section 2.

First, new section 12(h) of the Stevenson-Wydler Act does not permit Federal agencies to copyright any works authored by Federal employees outside of the scope of a CRADA. The Committee does not intend that the existing prohibition against copyrighting works authored by Federal employees be changed, except in the very specific case of new computer software developed within the course of work under a CRADA. Nor does the new subsection in any way prohibit private companies from continuing to study public domain software and to develop private, copyrighted computer programs based on that public domain software. The Committee in no way intends that access to current or future public domain software be limited or restricted, or that the current ability of companies and other organizations to use that public domain software in the development of their own private, copyrighted software programs be changed.

New section 12(h) simply provides a new option for Federal agencies and for parties which collaborate with one of the Government-owned, Government-operated laboratories. It creates a new type of industry-Government collaboration in software development which would not otherwise exist. The subsection states that if a collaborating party and one of these Federal laboratories enter into a CRADA and if, under that CRADA, Federal employees in whole or in part develop new software, that new software can receive copyright protection. This option has two benefits for the collaborating party. In the first place, the collaborating party is assured, before it invests any funds, expertise, or personnel in a CRADA, that any new computer software resulting from the CRADA will receive legal protection and that therefore the collaborating party's investment will be protected. in addition, because the amendments allow a Federal agency to license or assign the rights to any new software that might be developed under the CRADA, the agency and the collaborating party can negotiate intellectual property rights and any associated royalties before the collaboration begins. All ownership and royalty issues can be negotiated before any collaborative research begins, just as the Stevenson-Wydler Act currently permits in the case of patented inventions. In this way, both the Federal agency and the collaborating party know exactly which rights each has.

Also, these amendments do not allow, and are not intended to allow, Federal agencies to copyright any data or computerized data bases developed in whole or in part by Federal employees outside of the Stevenson-Wydler Act. Nor does the Committee intend that the new authority under new section 12(h) be used in any way to reduce or hinder public access to data or information developed by Federal employees, or to circumvent the public's right to information or documents under the Freedom of Information Act.

The Committee understands that in some cases a private company or other organization might wish to enter into a CRADA with a Government-owned, Government-operated laboratory for the purpose of working with Federal scientists or engineers to develop new software to access, process, or transmit Federal data, including data in Federal electronic data bases. The development of such copyrighted software may benefit the public by improving the ability of the company to deliver Federal data to the public in a timely, readable manner.

However, the Committee directs Federal agencies to exercise great caution before entering into any CRADA for the purpose or effect of creating copyrighted software to access, process, or transmit Federal data or data bases. In no case does the Committee intend that a CRADA to be used to create software that will give a company or other organization exclusive or monopolistic control over access to Federal data or allow that organization to restrict the ability of other parties to develop their own separate software or other methods to assess, process, or transmit those data in a convenient and affordable manner. The Committee intends that, at a minimum, if a Federal agency agrees to work with one collaborating party through a CRADA in order to develop software to access, process, or transmit Federal data, then other companies or organizations are to be afforded an equal opportunity to enter into CRADAs

to develop separate software to achieve the same goal. In particular, agencies in this situation should share with other companies and organizations, on a fair and reasonable basis, basic insight or know-how that the agency has regarding ways to access such data and which the agency shared with the collaborating party in the CRADA. The agency should avoid, however, sharing with other parties any proprietary software developed in the original CRADA.

The agency also should consider, when negotiating CRADAs, whether it should reserve the right to license the resulting software nonexclusively and on a nondiscriminatory basis to other companies and organizations, in order to avoid giving the collaborating party de facto exclusive control over access to Federal data.

Furthermore, the Committee stresses that neither entry into a CRADA for the creation of such software nor the resulting creation of copyrighted software under the exclusive control of the collaborating party can satisfy by themselves the agency's obligation to make Federal data available to the public. No agency should suspend its own program to provide access to the data it generates simply because the data are available through the use of a copyrighted computer program developed under a CRADA with that agency. Under any circumstances, the agency must fulfill its obligations to make the underlying data available to the public in accordance with existing law and regulations.

Moreover, in no case does the Committee intend that a Federal agency be able to use the authority under new section 12(h) to develop copyrighted software through a CRADA for the purpose or effect of limiting or otherwise hindering public access to Government information that otherwise would be available to the public under the Freedom of Information Act.

The Committee notes the provisions of Office of Management and Budget (OMB) Circular A-130, which establishes requirements regarding the ways in which Federal agencies may work with private parties to disseminate or add value to Federal data and data bases. The Committee expects that Federal agencies will follow the requirements of circular A-130 when entering into CRADAs that may result in new computer software, including the provisions which state that "the public's right of access to Government information must be protected in the management of Federal information resources" (section 7(g)) and that agencies shall disseminate Government information products and services in "a manner which ensures that members of the public whom the agency has an obligation to reach have a reasonable ability to acquire the information" (section 8(a)(11)(a)). Federal agencies do have an affirmative duty to disseminate Government information and, whenever possible, at marginal cost and in a timely, nondiscriminatory manner.

The Committee intends that agencies should consider entering into CRADAs to develop software programs when such CRADAs are in the public interest and based on Government laboratory programs. The Committee does not believe, however, that Federal laboratories should simply become contract researchers for industry or enter into general competition with private research organizations.

New section 12(h) allows software to be copyrighted under the Stevenson-Wydler Act's CRADA provision or "under any other

equivalent authority * * *." The term "any other equivalent authority" refers to sections 203(d)(5) and 203(c)(6) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2473(5) and 2473(6)). Under this statute, the National Aeronautics and Space Administration (NASA) has had its own special authority by which its laboratories can work with industry. The intention here is to give NASA laboratories the same authorities as other Government-operated Federal laboratories.

The Committee notes that existing section 12(d) of the Stevenson-Wydler Act defines the term "laboratory" broadly, including as "a facility or group of facilities owned, leased, or otherwise used by a Federal agency, a substantial purpose of which is the performance of research, development, or engineering by employees of the Federal Government." The Committee intends that this definition be interpreted as including research and development facilities within the Legislative Branch, including facilities within the Library of Congress.

New section 12(h) gives each Federal agency discretion on whether or not it wishes to retain a nonexclusive, nontransferable, irrevocable, paid-up license to any computer software developed under a CRADA. The Committee intends that individual agency heads and laboratory directors make the decision regarding Federal licenses based on their estimates of which arrangements with a collaborating party are in the best interest of the agency and the country.

The amendments contained in section 2 of this legislation (and section 3, as well) shall only operate prospectively. Nothing in this legislation permits any Federal agency to assert copyright in any computer software developed in whole or in part by its employees under any CRADA entered into prior to the effective date of the legislation. CRADAs entered into prior to the effective date of this legislation may not be amended or modified to provide for Government assertion of copyright, although collaborating parties that currently have CRADAs with Federal laboratories, as well as other parties, are free after the effective date of this legislation to enter into new CRADAs to develop computer software. Nothing in the legislation should be read to suggest that any computer software in the public domain on the effective date of the legislation may be withdrawn from the public domain and made subject to an assertion of copyright.

SECTION 3.—ROYALTY PAYMENTS TO AUTHORS

This section amends section 14 of the Stevenson-Wydler Act in several places to insert "or computer software" after the term "invention", to insert "or author" after the term "inventor", and to make several other conforming amendments related to royalty payments to authors of computer software developed under CRADAs.

Currently, under section 14 a Federal employee who is an inventor of a patented invention should share in any royalties which a Federal laboratory has negotiated and received as part of a CRADA which covers that invention. The Committee believes that these provisions should be extended to a Federal employee who authors, in part or in whole and in the course of work under a CRADA, new software for which the employee's agency has negoti-

ated royalties. The Committee directs agencies to assess carefully the contributions of Federal employees to any software developed under CRADAs, in order to ensure that these employees receive any royalties which may be due them.

SECTION 4.—TECHNICAL AND CONFORMING AMENDMENTS

This section amends section 12(c) of the Stevenson-Wydler Act by inserting "or computer software" after "inventions" each place it appears.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new material is printed in italic, existing law in which no change is proposed is shown in roman):

STEVENSON-WYDLER TECHNOLOGY INNOVATION ACT OF 1980

Section 4 of that Act

SEC. 4. DEFINITIONS.

As used in this Act, unless the context otherwise requires, the term—

(1) through (13) * * *

(14) "Computer software" means a computer program, as defined in section 101 of title 17, United States Code, and any associated documentation, supporting materials, or user instructions.

Section 12 of that Act

SEC. 12. COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS.

(a) through (b) * * *

* * * * * * *

(c) CONTRACT CONSIDERATIONS.—(1) * * *

(2) * * *

(3)(A) Any agency using the authority given it under subsection (a) shall review standards of conduct for its employees for resolving potential conflicts of interest to make sure they adequately establish guidelines for situations likely to arise through the use of this authority, including but not limited to cases where present or former employees or their partners negotiate licenses or assignments of titles to inventions *or computer software* or negotiate cooperative research and development agreements with Federal agencies (including the agency with which the employee involved is or was formerly employed).

(B) If, in implementing subparagraph (A), an agency is unable to resolve potential conflicts of interest within its current statutory framework, it shall propose necessary changes to be forwarded to its authorizing committees in Congress.

(4) The laboratory director in deciding what cooperative research and development agreements to enter into shall—

(A) give special consideration to small business firms, and consortia involving small business firms; and

(B) give preference to business units located in the United States which agree that products embodying inventions *or computer software* made under the cooperative research and development agreement or produced through the use of such inventions *or computer software* will be manufactured substantially in the United States and, in the case of any industrial organization or other person subject to the control of a foreign company or government, as appropriate, take into consideration whether or not such foreign government permits United States agencies, organizations, or other persons to enter into cooperative research and development agreements and licensing agreements.

(5) through (7) * * *

(d) through (g) * * *

(H) COPYRIGHT OF COMPUTER SOFTWARE.—Each Federal agency may secure copyright on behalf of the United States as author or proprietor in any computer software prepared in whole or in part by employees of the United States Government in the course of work under a cooperative research and development agreement entered into under the authority of subsection (a)(1) of this section, or under any other equivalent authority, notwithstanding the limitations contained in section 105 of title 17, United States Code; and may grant or agree to grant in advance to a collaborating party, licenses or assignment for such copyrights, or options thereto. Where an assignment is made, the Federal agency may retain a nonexclusive, nontransferable, irrevocable, paid-up license to reproduce, adapt, translate, distribute, and publicly perform or display the computer software throughout the world by or on behalf of the Government and such other rights as the Federal agency deems appropriate.

Section 14 of that Act

SEC. 14. DISTRIBUTION OF ROYALTIES RECEIVED BY FEDERAL AGENCIES.

(a) IN GENERAL.—(1) Except as provided in paragraphs (2) and (4), any royalties or other income received by a Federal agency from the licensing or assignment of inventions under agreements entered into by Government-operated Federal laboratories under section 12, and inventions of Government-operated Federal laboratories licensed under section 207 of title 35, United States Code, or under any other provision of law, shall be retained by the agency whose laboratory produced the invention and shall be disposed of as follows:

(A)(i) The head of the agency or his designee shall pay at least 15 percent of the royalties or other income the agency receives on account of any invention to the inventor *or author* (or co-inventors *or co-authors*) if the inventor *or author* (or each such co-inventor *or co-author*) has assigned his or her rights in the invention *or computer software* to the United States. This clause shall take effect on the date of the enactment of this section unless the agency publishes a notice in the Federal

Register within 90 days of such date indicating its election to file a Notice of Proposed Rulemaking pursuant to clause (ii).

(ii) An agency may promulgate, in accordance with section 553 of title 5, United States Code, regulations providing for an alternative program for sharing royalties with inventors *or authors* licensed inventions *or computer software* under clause (i). Such regulations must—

(I) guarantee a fixed minimum payment to each such inventor *or author,* each year that the agency receives royalties from that inventor's *or author's* invention *or computer software.*

(II) provide a percentage royalty share to each such inventor *or author,* each year that the agency receives royalties from that inventor's *or author's* invention *or computer software* in excess of a threshold amount;

(III) provide that total payments to all such inventors *or authors* shall exceed 15 percent of total agency royalties in any given fiscal year; and

(IV) provide appropriate incentives from royalties for those laboratory employees who contribute substantially to the technical development of a licensed invention *or computer software* between the time of the filing of the patent application and the licensing of the invention *or computer software.*

(iii) An agency that has published its intention to promulgate regulations under clause (ii) may elect not to pay inventors *or authors* under clause (i) until the expiration of two years after the date of the enactment of this Act or until the date of the promulgation of such regulations, whichever is earlier. If an agency makes such an election and after two years the regulations have not been promulgated, the agency shall make payments (in accordance with clause (i)) of at least 15 percent of the royalties involved, retroactive to the date of the enactment of this Act. If promulgation of the regulations occurs within two years after the date of the enactment of this Act, payments shall be made in accordance with such regulations, retroactive to the date of the enactment of this Act. The agency shall retain its royalties until the inventor's *or author's* portion is paid under either clause (i) or (ii). Such royalties shall not be transferred to the agency's Government-operated laboratories under subparagraph (B) and shall not revert to the Treasury pursuant to paragraph (2) as a result of any delay caused by rulemaking under this subparagraph.

(B) The balance of the royalties or other income shall be transferred by the agency to its Government-operated laboratories, with the majority share of the royalties or other income from any invention *or computer software* going to the laboratory where the invention occurred *or computer software was developed;* and the funds so transferred to any such laboratory may be used or obligated by that laboratory during the fiscal year in which they are received or during the succeeding fiscal year—

(i) for payment of expenses incidental to the administration and licensing of inventions *or computer software* by

that laboratory or by the agency with respect to inventions *or computer software which was developed* which occurred at that laboratory, including the fees or other costs for the services of other agencies, persons, or organizations for invention *or computer software* management and licensing services;

(ii) to reward scientific, engineering, and technical employees of that laboratory, including payments to inventors and developers of sensitive or classified technology, regardless of whether the technology has commercial applications;

(iii) to further scientific exchange among the Government-operated laboratories of the agency; or

(iv) for education and training of employees consistent with the research and development mission and objectives of the agency, and for other activities that increase the licensing potential for transfer of the technology of the laboratories of the agency.

Any of such funds not so used or obligated by the end of the fiscal year succeeding the fiscal year in which they are received shall be paid into the Treasury of the United States.

(2) If, after payments to inventors *or authors* under paragraph (1), the royalties received by an agency in any fiscal year exceed 5 percent of the budget of the Government-operated laboratories of the agency for that year, 75 percent of such excess shall be paid to the Treasury of the United States and the remaining 25 percent may be used or obligated for the purposes described in clauses (i) through (iv) of paragraph (1)(B) during that fiscal year or the succeeding fiscal year. Any funds not so used or obligated shall be paid into the Treasury of the United States.

(3) Any payment made to an employee under this section shall be in addition to the regular pay of the employee and to any other awards made to the employee, and shall not affect the entitlement of the employee to any regular pay, annuity, or award to which he is otherwise entitled or for which he is otherwise eligible or limit the amount thereof. Any payment made to an inventor *or author* as such shall continue after the inventor *or author* leaves the laboratory or agency. Payments made under this section shall not exceed $100,000 per year to any one person, unless the President approves a large award (with the excess over $100,000 being treated as a Presidential award under section 4504 of title 5, United States Code).

(4) * * *

(b) * * *

(c) REPORTS.—(1) In making their annual budget submissions Federal agencies shall submit, to the appropriate authorization and appropriation committees of both Houses of the Congress, summaries of the amount of royalties or other income received and expenditures made (including inventor *or author* awards) under this section.

(2) * * *

○